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RUEHTU/AMEMBASSY TUNIS PRIORITY 7545
RUEHTRO/AMEMBASSY TRIPOLI PRIORITY
RUEHNC/AMEMBASSY NOUAKCHOTT PRIORITY 6664
RUEHNM/AMEMBASSY NIAMEY PRIORITY 1855
RUEHBP/AMEMBASSY BAMAKO PRIORITY 0874
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C O N F I D E N T I A L SECTION 01 OF 02 ALGIERS 000160

SIPDIS

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TAGS: [ENRG](#) [TRGY](#) [BEXP](#) [BTIO](#) [PREL](#) [AG](#)
SUBJECT: ALGERIA'S CIVILIAN NUCLEAR ENERGY PLANS

REF: A. 08 STATE 127423

[B](#). 07 ALGIERS 1764

[C](#). 08 ALGIERS 1147

Classified By: Acting DCM Mark Schapiro; reasons 1.4 (b) and (d).

[1](#). (U) This cable provides answers to questions in ref A.

[2](#). OVERVIEW OF CIVILIAN NUCLEAR POWER PROGRAM

-- (C) Algeria currently operates two nuclear research reactors at Draria and Ain Oussera. We have been told (refs B and C) that Algeria is roughly twenty years from actually operating a nuclear power facility. Other than a series of bilateral civilian nuclear cooperation agreements, Algeria has not begun development of a nuclear power program. Uranium deposits in the Algerian desert and mountains have been identified, and mining is sometimes discussed, but actual exploitation of these resources remains minimal.

-- (C) Algeria would pursue nuclear power as part of an overall goal of having a diversified power supply for what government officials hope is an expanding economy, including new communities and an enlarged industrial base. The use of nuclear energy for domestic power consumption would also free up natural gas resources for export.

-- (U) Any new nuclear facilities would likely be financed completely by the Algerian national government as are almost all major infrastructure projects, particularly in what are considered strategic sectors. Thus, we expect that any such facility would be state-owned and operated.

-- (C) The Ministry of Energy and Mines, headed by Minister Chakib Khelil, currently oversees all nuclear-related activities in Algeria, under the auspices of the Atomic Regulatory Commission (COMENA), headed by Commissar Mohammed Derdour. COMENA currently controls all aspects of nuclear material use in Algeria, but is expected to be split into two organizations - a research and promotional arm, and a new, quasi-independent regulatory agency. This split would be the result of new legislative framework being developed by the Ministry of Energy and Mines. We expect the government will present this legislation to parliament within the 2009 calendar year. We are not aware of a separate liability regime absent the draft legislation.

-- (C) We are not aware of an existing manufacturing base, and have been told that all nuclear material currently used in Algeria for medical, industrial and research purposes is imported, with the expended material returned to the manufacturers, generally located in Europe. The local industrial base does not have the current capacity to

manufacture or service new nuclear facilities, and the two existing research reactors were essentially turn-key operations provided by China and Argentina respectively.

-- (C) The workforce of COMENA and the research and medical facilities currently using nuclear materials seem fairly well-trained, but the existing engineering, technician and construction base could not handle a significant expansion in this sector without foreign workers.

13. OPPORTUNITIES FOR U.S. INDUSTRY

-- (C) We are not aware of any nuclear-related tenders, and do not expect any in the near-term. Even in strategic infrastructure projects, cost remains a major factor in the awarding of contracts, and existing relationships help international companies prove their value and commitment to Algeria. Accordingly, the best future opportunities for U.S. companies may lie in feasibility studies and consulting, an area where U.S. firms have been successful in the past on major projects. High-tech training and maintenance may also provide particularly good opportunities for U.S. companies, as well as waste management issues since the USG is currently funding several programs Algerian regulators are expected to attend in this field.

-- (C) We are unable to ascertain the foreign companies that currently provide nuclear materials for Algeria's research reactors, but were told that it/they were German. There is currently very little other activity involving any actors outside of the Algerian government.

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14. FOREIGN COMPETITORS

-- (U) Algeria has signed general bilateral nuclear cooperation agreements with the United States, China, and France, and is currently discussing similar agreements with Russia and Argentina. Technical cooperation and expert exchanges will likely take place in the near-term with France, Russia and China.

-- (C) Algeria maintains a basic non-aligned movement philosophy that results in the government diffusing its engagement across multiple countries in projects that are considered particularly sensitive or strategic. Thus, Algeria rarely awards multiple or back-to-back contracts in a particular sector to any one company or to companies from any one country, and it pursues discussions and cooperation frameworks with any number of nations, sometimes simultaneously.

15. (C) COMMENT: Post has traditionally had positive relations with the professional and responsive staff at COMENA. The GOA has appeared eager to cooperate on scientific and technical projects, thus it is likely that we will remain in the loop on the planning and subsequent tendering process for future commercial reactors.

PEARCE